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THE DOMINION OF CANADA GENERAL INSURANCE COMPANY / INCORPORATED 23 JUNE 1887



CONSOLIDATED ANNUAL REPORT 31 DECEMBER, 1966

THE CASUALTY COMPANY OF CANADA / INCORPORATED 19 MAY 1911





EIGHTIETH ANNUAL REPORT

of the Directors of

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

Presented at the Annual Meeting held at the Head Office of the Company
165 University Ave., Toronto, 17 February 1967.

Your Directors beg to submit the Consolidated Report and Financial Statements as at 31 December 1966 of The Dominion of Canada General Insurance Company and its subsidiary Company, The Casualty Company of Canada.

Premium Income amounted to \$20,004,335, which together with Income from Investments of \$2,453,272 provided Total Income of \$22,457,607, an increase of \$2,290,897 over the previous year.

Profit for the year was \$2,511,782. After providing for Income Tax of \$840,000 the Profit for the year was \$1,671,782. That Profit was increased by \$31,090 resulting from Net Gain on Sale of Investments. Four quarterly Dividends of 25¢ plus an extra Dividend of $3\frac{3}{4}$ ¢ were declared requiring in all \$209,637. A transfer of \$300,000 was made to the Reserve for Contingencies, which Reserve now amounts to \$3,222,207. The net increase in Surplus Account for the year was \$1,198,581.

Assets totalled \$54,527,653 at the close of the year. After making provision for Premium and Policy Reserves of \$29,998,638, Reserve for Claims of \$9,779,465 and adequately providing for all other Liabilities, there was available to Policyholders, Surplus Security of \$7,427,500, of which \$6,417,200 is Shareholders' Surplus.

The Auditors' Report is on page 6.

Comparative figures for the previous year are shown in the shaded columns of the Financial Statements.

One change in the Board of Directors has occurred since the last Annual Meeting. Mr. Lisle L. Rooke, Managing Director, following his retirement on 1 February 1967 under the Companies' Pension Plan after forty-seven years of service, has resigned as a Director of our Companies. The vacancy on the Board thus created has been filled by Mr. Brian R. B. Magee of Toronto.

All Directors retire, but are eligible for re-election.

HENRY S. GOODERHAM, *President.*

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

and its subsidiary company THE CASUALTY COMPANY OF CANADA

CONSOLIDATED REVENUE STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 1966

<i>Income</i>	Premium Income
	Investment Income

<i>Expense</i>	Claims Incurred
	Maturities, Surrenders and Annuity Payments
	Agency Commissions
	Operating Expenses (note 2)
	Staff Pension Fund
	Premium Taxes and Licences
	Increase in Premium and Policy Reserves
	Profit before providing for Income Taxes
	Provision for Income Taxes
	Net Profit for the Year

CONSOLIDATED STATEMENT OF SURPLUS FOR THE YEAR ENDED 31 DECEMBER, 1966

Balance, 1 January
Net Profit for the Year
Net Gain (Loss) on Sale of Investments
Income Tax Adjustments of Prior Years
Dividends to Shareholders
Transferred to Reserve for Contingencies
Balance, 31 December

The notes on page 6 are an integral part of the financial statements.

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

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GENERAL INSURANCE		LIFE INSURANCE		TOTAL	
1966	1965	1966	1965	1966	1965
\$17,100,723	\$15,326,350	\$ 2,903,612	\$ 2,654,508	\$20,004,335	\$17,980,858
1,057,321	886,417	1,395,951	1,299,435	2,453,272	2,185,852
<u>\$18,158,044</u>	<u>\$16,212,767</u>	<u>\$ 4,299,563</u>	<u>\$ 3,953,943</u>	<u>\$22,457,607</u>	<u>\$20,166,710</u>
\$ 9,107,109	\$ 8,477,648	\$ 522,369	\$ 571,379	\$ 9,629,478	\$ 9,049,027
—	—	1,297,911	1,229,009	1,297,911	1,229,009
2,794,245	2,746,655	297,044	283,065	3,091,289	3,029,720
2,561,726	2,400,066	880,763	878,776	3,442,489	3,278,842
68,929	61,668	122,424	109,358	191,353	171,026
428,378	388,437	70,863	70,343	499,241	458,780
876,095	1,031,571	917,969	732,026	1,794,064	1,763,597
<u>\$15,836,482</u>	<u>\$15,106,045</u>	<u>\$ 4,109,343</u>	<u>\$ 3,873,956</u>	<u>\$19,945,825</u>	<u>\$18,980,001</u>
\$ 2,321,562	\$ 1,106,722	\$ 190,220	\$ 79,987	\$ 2,511,782	\$ 1,186,709
840,000	113,925	—	—	840,000	113,925
<u>\$ 1,481,562</u>	<u>\$ 992,797</u>	<u>\$ 190,220</u>	<u>\$ 79,987</u>	<u>\$ 1,671,782</u>	<u>\$ 1,072,784</u>
172		24			
GENERAL INSURANCE		LIFE INSURANCE		TOTAL	
1966	1965	1966	1965	1966	1965
\$ 4,043,606	\$ 3,603,041	\$ 1,175,013	\$ 1,093,452	\$ 5,218,619	\$ 4,696,493
1,481,562	992,797	190,220	79,987	1,671,782	1,072,784
9,673	(10,522)	21,417	1,574	31,090	(8,948)
5,346	30,041	—	—	5,346	30,041
<u>\$ 5,540,187</u>	<u>\$ 4,615,357</u>	<u>\$ 1,386,650</u>	<u>\$ 1,175,013</u>	<u>\$ 6,926,837</u>	<u>\$ 5,790,370</u>
\$ 209,637	\$ 171,751	\$ —	\$ —	\$ 209,637	\$ 171,751
300,000	400,000	—	—	300,000	400,000
5,030,550	4,043,606	1,386,650	1,175,013	6,417,200	5,218,619
<u>\$ 5,540,187</u>	<u>\$ 4,615,357</u>	<u>\$ 1,386,650</u>	<u>\$ 1,175,013</u>	<u>\$ 6,926,837</u>	<u>\$ 5,790,370</u>

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY
and its subsidiary company THE CASUALTY COMPANY OF CANADA

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER, 1966

<i>Assets</i>	Bonds, Debentures, Stocks and Mortgages
	Policy Loans
	Real Estate—Head Office Properties (note 1)
	Premiums in course of Collection
	Due from Reinsurers and Others
	Investment Income Accrued
	Cash on Hand and in Banks
	Short Term Investments
	Excess of Cost of Shares of Subsidiary Company over Book Value at Date of Acquisition

<i>Liabilities</i>	Reserve for Claims
	Premium and Policy Reserves
	Reserve for Premium Taxes
	Reserve for Income Taxes
	Funds on Deposit
	Staff Pension Fund
	Retiring Allowance Fund
	Due to Reinsurers and Others (note 2)
	Quarterly Dividend to Shareholders, Declared and Payable
	Reserve for Contingencies
	Capital Stock (note 3)
	Surplus

The notes on page 6 are an integral part of the financial statements.

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

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GENERAL INSURANCE		LIFE INSURANCE		TOTAL	
1966	1965	1966	1965	1966	1965
\$20,233,074	\$17,612,214	\$21,083,991	\$19,716,474	\$41,317,065	\$37,328,688
—	—	1,343,395	1,308,968	1,343,395	1,308,968
2,635,963	2,668,875	2,635,963	2,668,875	5,271,926	5,337,750
3,091,541	2,620,247	150,125	143,238	3,241,666	2,763,485
146,935	137,862	1,440	22,821	148,375	160,683
182,157	163,389	249,658	244,625	431,815	408,014
1,258,649	984,821	162,908	185,983	1,421,557	1,170,804
1,344,298	844,904	—	—	1,344,298	844,904
7,556	7,556	—	—	7,556	7,556
<u>\$28,900,173</u>	<u>\$25,039,868</u>	<u>\$25,627,480</u>	<u>\$24,290,984</u>	<u>\$54,527,653</u>	<u>\$49,330,852</u>
\$ 9,551,704	\$ 8,444,732	\$ 227,761	\$ 282,676	\$ 9,779,465	\$ 8,727,408
9,006,975	8,130,880	20,991,663	20,073,694	29,998,638	28,204,574
148,375	144,880	20,000	20,000	168,375	164,880
671,008	95,323	—	—	671,008	95,323
120,737	106,369	212,374	226,450	333,111	332,819
—	—	2,121,030	1,960,221	2,121,030	1,960,221
56,670	56,670	—	—	56,670	56,670
531,132	541,963	168,002	52,930	699,134	594,893
50,515	42,938	—	—	50,515	42,938
2,722,207	2,422,207	500,000	500,000	3,222,207	2,922,207
1,010,300	1,010,300	—	—	1,010,300	1,010,300
5,030,550	4,043,606	1,386,650	1,175,013	6,417,200	5,218,619
<u>\$28,900,173</u>	<u>\$25,039,868</u>	<u>\$25,627,480</u>	<u>\$24,290,984</u>	<u>\$54,527,653</u>	<u>\$49,330,852</u>

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER, 1966

1. With respect to the Head Office Building, the Company follows the practice of claiming, for income tax purposes, capital cost allowance in excess of the depreciation provided in the accounts. As a result, the total reduction of income taxes to 31 December, 1966 amounted to \$202,000 of which \$26,700 is applicable to 1966.
2. The minority interest of shareholders of The Casualty Company of Canada is presently a relatively insignificant amount (1966—\$19,896; 1965—\$18,666). In order to simplify the consolidated financial statements, minority interest in the profit for the year is included in operating expenses, and the minority interest in the consolidated capital stock and surplus is included in amounts due to reinsurers and others.
3. During the year, the Company subdivided each share of authorized and issued capital stock into two shares. As a result, the number of shares authorized and issued is as follows:

	Par Value	Number of Shares	
		Authorized	Issued
December 31, 1965.....	\$10	200,000	101,030
December 31, 1966.....	\$5	400,000	202,060

AUDITORS' REPORT

We have examined the consolidated balance sheet of The Dominion of Canada General Insurance Company and its subsidiary company, The Casualty Company of Canada, as at 31 December, 1966, and the consolidated statements of revenue and surplus for the year ended on that date and have obtained all the information and explanations we have required.

Our examination included the verification of the investment securities, a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. We have accepted the certificate of the Companies' Actuary in respect of reserves for life insurance contracts and the Staff Pension Fund.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of revenue and surplus are properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Company and its subsidiary as at 31 December, 1966, and the result of their operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

Toronto, Ontario
8 February, 1967

DELOITTE, PLENDER, HASKINS & SELLS
Chartered Accountants.

BOARD OF DIRECTORS

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY
THE CASUALTY COMPANY OF CANADA

President

HENRY S. GOODERHAM

Vice-President, CANADA PERMANENT MORTGAGE CORPORATION

Vice-Presidents

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

LESTER M. KEACHIE, C.B.E., Q.C.
BARRISTER-AT-LAW

PETER S. GOODERHAM
Director, WILLS, BICKLE & COMPANY LIMITED

Vice-Presidents

THE CASUALTY COMPANY OF CANADA

HENRY R. JACKMAN, Q.C.
President, DOMINION & ANGLO
INVESTMENT CORPORATION LTD.

PETER S. GOODERHAM
Director, WILLS, BICKLE & COMPANY LIMITED

HENRY N. R. JACKMAN

Director, THE DEBENTURES AND SECURITIES CORPORATION OF CANADA

W. LEO KNOWLTON, Q.C.

Vice-President, CANADA PERMANENT TRUST COMPANY

BRIAN R. B. MAGEE

President, A. E. LEPAGE LIMITED

WILFRID MAVOR, C.B.E., M.C.

Chairman of Board, FERRO ENAMELS (CANADA) LTD.

LAURENCE M. SAVAGE

Company Director

General Managers

H. NORMAN HANLY
GENERAL INSURANCE

J. MURDOCH RUTHERFORD
LIFE INSURANCE

GENERAL INSURANCE OFFICIALS

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY
THE CASUALTY COMPANY OF CANADA

GENERAL MANAGER	H. N. HANLY
EXECUTIVE ASSISTANT	K. G. HUTCHISON
ACCOUNTS	F. H. CLEMENT, <i>Manager</i>
ADVERTISING	R. L. ETIENNE, <i>Manager</i>
AGENCY	A. R. PETRIE, F.I.I.C., <i>Manager</i>
AUTOMOBILE	H. B. BARNES, <i>Manager</i>
CASUALTY	W. A. HORNE, A.I.I.A., <i>Manager</i>
CENTRAL SERVICES	E. BOXALL, <i>Manager</i>
CLAIMS	G. F. CONNOR, <i>Manager</i>
FIRE	L. BUTTERFIELD, <i>Manager</i>
INVESTMENT	B. E. PURVIS, <i>Assistant Treasurer</i>
METHODS AND SYSTEMS	P. F. GLANCY, <i>Manager</i>
PERSONNEL AND PURCHASING	L. H. TEMPLE, <i>Manager</i>
SECRETARY	K. G. HUTCHISON
STATISTICAL	B. A. EDGAR, F.I.I.C., F.L.M.I., <i>Manager</i>

BRANCH OFFICES

Branch Manager

ALBERTA	621-4th Avenue S.W., Calgary . . .	G. P. CRAW, F.I.I.C.
BRITISH COLUMBIA	1309 West Pender Street, Vancouver	J. H. GLAVIN, A.I.I.C.
EASTERN ONTARIO	151 Slater Street, Ottawa	F. G. ELLIOTT, F.I.I.C.
METROPOLITAN TORONTO	165 University Avenue, Toronto . . .	R. H. LOUGHEED
MID-WEST	209 Notre Dame Avenue, Winnipeg	M. E. RICHARDSON, A.I.I.C.
QUEBEC AND MARITIME . .	1010 Beaver Hall Hill, Montreal . .	S. J. DAVIDSON, A.I.I.C.

ONTARIO SERVICE OFFICES

BARRIE	ST. CATHARINES	HAMILTON	KITCHENER
34 Clapperton Street	71 King Street	42 James Street South	151 Frederick Street
CHATHAM	LONDON	WINDSOR	
143 Wellington Street	361 Richmond Street	374 Ouellette Avenue	

LIFE INSURANCE OFFICIALS

THE DOMINION OF CANADA GENERAL INSURANCE COMPANY

GENERAL MANAGER.	J. M. RUTHERFORD
ACTUARY	J. S. M. WASON, F.F.A., F.C.I.A.
ACCOUNTS	G. B. HOULDEN, <i>Manager</i>
ACTUARIAL	A. D. WALSH, A.S.A., <i>Assistant Actuary</i>
ADVERTISING	R. L. ETIENNE, <i>Manager</i>
AGENCY.	C. F. WOODWARD, C.L.U., <i>Superintendent of Agencies</i> S. J. HARRIS, C.L.U., <i>Superintendent of Field Training</i>
INVESTMENT.	B. E. PURVIS, <i>Assistant Treasurer</i>
MEDICAL	DR. EUGENE MONTGOMERY, <i>Medical Director</i>
PERSONNEL and PURCHASING . .	L. H. TEMPLE, <i>Manager</i>
SECRETARY	K. G. HUTCHISON
STATISTICAL	B. A. EDGAR, F.I.I.C., F.L.M.I., <i>Manager</i>

BRANCH OFFICES

Branch Manager

CALGARY	621-4th Avenue S.W.	W. J. THOMAS
HAMILTON	42 James Street South . . .	H. S. MALCOLMSON, C.L.U.
KITCHENER	151 Frederick Street	A. W. JOHNSTON
LONDON	361 Richmond Street	WILLIAM ATTLESEY
MONTREAL CENTRE . . .	50 Crémazie Boulevard West . . .	LOUIS DESROSIER
MONTREAL PROVINCIAL .	50 Crémazie Boulevard West . . .	L. H. LARAMÉE
OTTAWA	151 Slater Street	EDMUND CHAPUT
PETERBOROUGH	121 George Street	SAMUEL POTTS
TORONTO CENTRAL . . .	160 Bloor Street East	
TORONTO METRO	2 Carlton Street . . .	W. A. RITCHIE, ASSOCIATE C.L.U.
TORONTO UPTOWN . . .	43 Eglinton Avenue East	HUBERT PHILLIP
VANCOUVER.	1309 West Pender Street	R. R. GATZKE
WINNIPEG	209 Notre Dame Avenue	L. W. KIVELL
